

CHAPTER 3 AGENT REQUIREMENTS

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300 LICENSE AND IDENTIFICATION CARD

- 300.1 The agent shall conspicuously display the license at the location in an area clearly visible to the public.
- 300.2 The Agency shall issue to each licensed agent a wallet-size agent identification card which shall be displayed when conducting lottery business.

AUTHORITY: Unless otherwise noted, the authority for this chapter is §4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, D.C. Law 3-172, D.C. Code §2-2501 *et seq.* (1994 Repl. Vol.).

SOURCE: Final Rulemaking published at 36 DCR 8665, 8674 (December 29, 1989).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

301 INSTRUCTIONS TO AGENTS

- 301.1 The agent shall conform to all instructions, requirements, procedures, and standards issued by the Agency.

SOURCE: Final Rulemaking published at 36 DCR 8665, 8675 (December 29, 1989).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

302 BONDING OF AGENTS

- 302.1 Before the license is issued and an on-line computer terminal is assigned, the Agency shall require each agent to be bonded in an amount determined by the Agency so as to avoid any monetary loss to the District resulting from the sale of lottery tickets.

SOURCE: Final Rulemaking published at 36 DCR 8665, 8675 (December 29, 1989).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

303 AGENT COMPENSATION

303.1 The Board shall establish agents' commissions for the sale of tickets and payment of prizes for each game in advance of the sale of tickets for that game. Nothing in this title shall preclude the Board from changing the agents' commissions.

303.2 For the purposes of §303.1, the term "each game" means a particular instant game or a particular on-line game.

SOURCE: Final Rulemaking published at 39 DCR 2286, 2287 (April 3, 1992).

HISTORICAL NOTE: Prior to April 3, 1992, the D.C. Lottery and Charitable Games Control Board published Final Rulemakings at 29 DCR 2202, 2207 (May 29, 1982); and at 36 DCR 8665, 8675 (December 29, 1989).

304 PAYMENT FOR INSTANT TICKETS

304.1 The Executive Director may require an agent to pay for instant game tickets or pull tab tickets in advance by certified check, cashier's check, postal money order, or business check made payable to the D.C. Lottery. If the Executive Director does not require advance payment for instant game tickets or pull tab lottery tickets all revenues received by an agent from the sale of the tickets shall be deposited in the bank account required by §305.1 of this chapter.

SOURCE: Final Rulemaking published 44 DCR 228 (January 10, 1997).

HISTORICAL NOTE: Prior to April 3, 1992, the D.C. Lottery and Charitable Games Control Board published Final Rulemakings at 29 DCR 2202, 2207 (May 29, 1982); at 36 DCR 8665, 8675 (December 29, 1989); and at 39 DCR 2286, 2287 (April 3, 1992).

305 COLLECTION OF ON-LINE SALES FUNDS

305.1 Each agent shall maintain a separate bank account in a federally-insured bank located within the District for the deposit of all on-line revenues received by the agent from the agent's on-line lottery operations.

305.2 Collections of funds from the sale of on-line tickets shall be accomplished by electronic transfer of funds from the agent's bank account to the Agency's bank account.

305.3 The agent shall be responsible for all monies collected from on-line tickets sales until such monies have been deposited and accepted by the bank in the agent's bank account required by this section.

305.4 Funds deposited in this account shall constitute a trust fund for the Agency and withdrawals shall be made only in accordance with instructions issued by the Agency. No other funds shall be deposited in this account.

305.5 Each agent shall permit the Agency, representatives of the Agency and others authorized by the Agency, to inspect the bank records and accounts.

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- 305.6 The agent's agreement with the bank shall provide that upon the change of principals, death, legal disability, incompetency, insolvency, or bankruptcy of the agent, all funds remaining in the account shall be paid over to the Agency as the lawful and true owner of the funds.
- 305.7 The proper amount of funds due the Agency shall be accessed by the Agency weekly.
- 305.8 The agent shall deposit funds promptly in the bank account to be available on the designated day of collection, but not later than the next banking day.
- 305.9 In the event there is a change in the agent's bank or bank account, the agent shall notify the Agency of the change within five (5) working days.
- 305.10 The Agency may assess a monetary penalty not to exceed one thousand dollars (\$1,000) for failure to comply with the requirements of this section.
- 305.11 Funds deposited in an account pursuant to §305.4 shall not be assigned, pledged or used as collateral for any security interest. The transfer of any security interest in the funds shall be void.

SOURCE: Final Rulemaking published at 36 DCR 8665, 8675 (December 29, 1989); as amended by Final Rulemaking published at 40 DCR 6959 (October 1, 1993).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

306 RECORDKEEPING

- 306.1 Each agent shall file with the Agency reports of receipts and transactions in the sale and redemption of lottery tickets at a time specified by the Agency.
- 306.2 Each distribution center shall file with the Agency reports of its receipts and transactions in the distribution of lottery tickets at a time specified by the Agency.
- 306.3 Each agent's lottery operations records and each distribution center's records shall be subject to inspection and audit by the Agency.

SOURCE: Final Rulemaking published at 36 DCR 8665, 8676 (December 29, 1989).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

307 TIMES AND PLACE OF SALE

- 307.1 Each agent shall make all current lottery tickets available for sale to the public at all times during normal hours of operation.
- 307.2 Each distribution center shall make current lottery tickets available for distribution to agents at all times during normal business hours.
- 307.3 An agent shall sell lottery tickets only at the location set forth in the license.

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- 307.4 A distribution center shall distribute lottery tickets only at the location set forth in the license.
- 307.5 The Executive Director may waive the requirements of §307.1, upon a determination that the waiver is in the best interests of the agency.
- 307.6 The waiver contemplated by §307.5 shall only be granted upon a written determination by the Executive Director that it is likely to do one of the following:
- (a) Enhance ticket sales;
 - (b) Increase the agent's overall performance;
 - (c) Target sales;
 - (d) Increase the efficiency of the lottery; or
 - (e) Generate lottery sales which otherwise would not occur.
- 307.7 A waiver may also be granted for similar good cause, and shall also effect a waiver of §308.1(b).

SOURCE: Final Rulemaking published at 36 DCR 8665, 8676 (December 29, 1989); as amended by Final Rulemaking published at 40 DCR 5588 (July 30, 1993).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

308 AGENT RESPONSIBILITIES

- 308.1 Agents shall do the following:
- (a) Provide for the sale of lottery tickets in accordance with instructions issued by the Agency;
 - (b) Sell lottery tickets for cash only during all hours and days that the agent's establishment is open for business, at the location set forth in the license;
 - (c) Render services which meet the standards of the reasonable prudent business person;
 - (d) Be financially responsible to the Agency for all revenues derived from the sale of lottery tickets and all tickets that are cashed or cancelled and are later presented to the Agency for payment;
 - (e) Return all lottery tickets that are cashed and canceled to the Agency in weekly settlement packages;
 - (f) Post prominently point-of-sale and other promotional materials supplied by the Agency;
 - (g) Attend all training sessions;

- (h) Provide a site for the location of any on-line computer terminal assigned to the agent;
- (i) Provide, prior to the installation of the on-line computer terminal, a dedicated electrical double duplex "U" grounded outlet on a separate circuit that remains on twenty-four (24) hours a day for the exclusive use of the on-line computer terminal, which outlet shall be located within five feet (5 ft.) of the on-line computer terminal;
- (j) Provide sufficient space for the proper operation of the on-line computer terminal at the site approved by the Agency;
- (k) Exercise due diligence in the operation and care of the on-line computer terminal and immediately notify the Agency's computer operation center of any on-line computer terminal malfunction;
- (l) Permit a representative of the Agency to conduct on-site inspections of lottery property, including the on-line computer terminal, during the agent's normal hours of operation;
- (m) Provide for the cashing of all lottery tickets and pay all claims up to a maximum of five hundred ninety-nine dollars and ninety-nine cents (\$599.99), in cash or business check, regardless of where the winning lottery ticket was purchased;
- (n) Cash checks for lottery winnings without charging fees;
- (o) Ascertain the winning numbers and immediately post them in a prominent place after each drawing;
- (p) Replace ribbons and ticket stock as required in the on-line computer terminal;
- (q) Perform no mechanical or electrical maintenance on the on-line computer terminal;
- (r) Notify the Agency in writing at least fourteen (14) days in advance of the agent's intent to temporarily cease operations (e.g., vacation), or as soon as possible in the case of an emergency;
- (s) Notify the Agency in writing of a change of address of the location, type of establishment or ownership of the establishment, in accordance with §206 of this title;
- (t) Notify the Agency in writing seven (7) days in advance of a change of bank account maintained for the deposit of on-line revenues pursuant to §305.1.
- (u) Pay the cost for all telephone lines resulting from agent relocations;
- (v) Permit no persons under eighteen (18) years of age to sell lottery tickets;

- (w) Provide a certificate of insurance which indicates that the agent has and maintains casualty insurance, approved by the Agency, to cover the replacement cost of the on-line computer terminal and other Agency property assigned to the agent. The agent shall notify the Agency in writing of any change insurance coverage fifteen (15) days in advance of the change; and
- (x) Not sell lottery tickets to anyone under the age of eighteen (18).

SOURCE: Final Rulemaking published at 36 DCR 8665, 8677 (December 29, 1989); as amended by Final Rulemaking published at 39 DCR 2286, 2288 (April 3, 1992).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

309 AGENCY RESPONSIBILITIES

309.1 The Agency shall do the following:

- (a) Provide an on-line computer terminal to the agent at no cost;
- (b) Install initial telephone lines required for the operation of the on-line computer terminal at no expense to the agent;
- (c) Pay all monthly fees charged by the telephone company for the use of communication lines to the on-line computer;
- (d) Pay the agent a commission as determined by the Board; and
- (e) Reimburse the agent for prizes paid by the agent in excess of monies collected from the sale of lottery tickets.

309.2 The Executive Director may adopt Instant Game Ticket Administration Procedures governing, among other things, the purchase, return and payment of instant game tickets by agents.

SOURCE: Final Rulemaking published at 36 DCR 8665, 8679 (December 29, 1989); as amended by Final Rulemaking published at 39 DCR 2286, 2288 (April 3, 1992).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

310 AGENCY PROPERTY

310.1 All equipment and materials either installed or placed in the agent's premises by the Agency or under the direction of the Agency shall remain the property of the Agency.

310.2 The agent shall be responsible for all loss, damage, or destruction to Agency property for whatever reason. The Agent shall be ultimately responsible for the cost of repair or replacement of Agency property without regard to the existence of or limitations upon insurance coverage.

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310.3 No Agency property shall be sold, leased, assigned, transferred or otherwise encumbered.

SOURCE: Final Rulemaking published at 36 DCR 8665, 8679 (December 29, 1989).

HISTORICAL NOTE: Prior to December 29, 1989, the D.C. Lottery and Charitable Games Control Board published Final Rulemaking at 29 DCR 2202, 2207 (May 29, 1982).

